

**Summary**  
**Mark Jackson, President**  
**EchoStar Technologies L.L.C.**

- EchoStar is committed to a successful digital transition.
- EchoStar's digital-to-analog converter box (TR-40) is priced at \$39.99, once cent less than the \$40 coupon value, and is the lowest-cost converter box on the market.
- EchoStar specializes in low-cost video equipment and leverages its vendor relationships and expertise to reduce the cost of the TR-40.
- The TR-40 contains analog pass-through, allowing reception of stations that have not yet gone digital—a feature we included based on our experience with the digital transition in the U.K.
- EchoStar sees the digital converter box initiative as an opportunity to build our brand and perhaps add new customers; we are willing to subsidize the cost of converters if necessary.
- We will be submitting improved, lower-cost converter models to NTIA soon and are hopeful for a rapid approval.

**TESTIMONY OF MARK JACKSON**  
**President,**  
**Echostar Technologies L.L.C.**  
**before the**  
**U.S. House Telecommunications Subcommittee**  
**Hearing on the Digital Television Transition**  
**February 13, 2008**

Chairman Markey and members of the Subcommittee, my name is Mark Jackson and I am the President of EchoStar Technologies Corporation, a company that designs and markets what we believe are the highest quality, best value digital set top boxes and video equipment in the world. On behalf of EchoStar Technologies and our sister company, DISH Network, thank you for inviting me to discuss the digital television transition, and in particular our low-cost digital-to-analog converter box.

EchoStar and DISH Network are committed to doing our part to make next year's digital transition a success.

DISH Network has an ongoing education campaign aimed at current subscribers to explain what the digital transition will mean to them. Among our many initiatives, we have aired public service announcements to DISH Network's roughly 14 million subscribers as part of that awareness campaign.

On the equipment side of the business, EchoStar Technologies has developed the lowest-priced coupon eligible converter box, the TR-40. We think that making the TR-40 available to the public will have a very positive impact on the digital transition.

Earlier this year, at the Consumer Electronics Show, EchoStar announced that it would make our basic converter box available to consumers for \$39.99. That's one penny less than the \$40 Congress authorized for each converter box coupon.

In other words, not counting sales taxes, a consumer who obtains a government coupon will be able to get a converter box free of charge.

Congress made clear its intent to not leave anyone behind when broadcasters go digital on February 19, 2009, especially families of lesser means who rely on free, over-the-air TV for their news and information. By providing digital-to-analog converter boxes at no cost to the consumer, EchoStar is doing its part to bring that policy goal to fruition.

Our announcement has generated a lot of excitement in the government and consumer communities, along with many questions. I will address one of the major questions now and, of course, will answer any additional questions you might have after opening statements.

We have been asked, how is EchoStar able to offer a device at such a low price point and still make a good business out of it?

First, we specialize in low-cost equipment.

As mass producers of set-top boxes, with over 65 million EchoStar boxes sold worldwide, we bring economies of scale to this project. We can draw on our volume-based deals with suppliers in order to produce a low-cost converter box.

We also know something about how to build converters for a digital transition, as our British division is going through this process in the U.K. Those employees helped us come up with useful features, like the pass-through of analog signals from broadcasters who might not yet have gone digital.

Second, we are willing to subsidize the cost of the box where necessary to drive brand awareness for our core businesses.

Many of these boxes will be used in households that do not subscribe to DISH Network today. If people have a good experience with our box, they are more likely to think of us if and when they want to become satellite TV subscribers.

Finally, with the recent split of EchoStar into two separately traded public companies, the company I head --EchoStar Technologies Corporation-- will sell not just to DISH Network but to any and all companies and consumers. Therefore, we have an incentive to get our brand name into as many households as possible.

These attributes --a devotion to low-cost products, a pay-TV and a technology company working in tandem--make us unique in the marketplace for converter boxes and allow us to offer the low-cost product you see before you today.

We know that the federal government is working on educating the public on the digital transition. We are participating in that effort with respect to DISH subscribers, as I mentioned earlier.

But when it comes to the population at large, I think we can all agree that nothing gets the word out in America like a company with something to sell. And we intend to use our marketing expertise to get the word out about the TR-40.

Finally, I want to make the Subcommittee aware that we have notified NTIA of our intent to submit other converter boxes for approval. For example, we have devised a means of lowering the cost even further by separating out the power components. We are hopeful that NTIA and the FCC will test the devices and approve them quickly. There is no time to lose.

I look forward to your questions.

Thank you.